



House of Commons
Members Estimate Committee

Review of past ACA payments: further supplementary report

First Report of Session 2010–11

Report, together with formal minutes

*Ordered by the House of Commons
to be printed 30 March 2011*

HC 926

Published on 1 April 2011
by authority of the House of Commons
London: The Stationery Office Limited
£0.00

Members Estimate Committee

The Members Estimate Committee has the same Members as the House of Commons Commission:

Rt Hon John Bercow MP, Speaker
Rt Hon Hilary Benn MP
Sir Paul Beresford MP
Frank Doran MP
John Thurso MP
Rt Hon Sir George Young MP, Leader of the House

The Committee is appointed under Standing Order No 152D (*House of Commons Members Estimate Committee*):

152D.—(1) There shall be a committee of this House, called the House of Commons Members Estimate Committee.

(2) The members of the committee shall be those Members who are at any time members of the House of Commons Commission pursuant to section 1 of the House of Commons (Administration) Act 1978; the Speaker shall be chairman of committee; and three shall be the quorum of the committee.

(3) The functions of the committee shall be—

- (a) to codify and keep under review the provisions of the resolutions of this House and the Guide to Members' Allowances known as the Green Book relating to expenditure charged to the Estimate for House of Commons: Members;
- (b) to modify those provisions from time to time as the committee may think necessary or desirable in the interests of clarity, consistency, accountability and effective administration, and conformity with current circumstances;
- (c) to provide advice, when requested by the Speaker, on the application of those provisions in individual cases;
- (d) to carry out the responsibilities conferred on the Speaker by the resolution of the House of 5th July 2001 relating to Members' Allowances, Insurance, &c.;
- (e) to consider appeals against determinations made by the Committee on Members' Allowances under paragraph (1)(d) of Standing Order No. 152G.

(4) Paragraph (3)(b) above does not empower the committee—

- (a) to create a new form of charge on the Estimate for House of Commons: Members; or
- (b) to increase any rate of charge or payment determined by resolution of this House.

(5) The committee shall report to the House from time to time, and in any case not less than once a year, the provisions of the resolutions of this House relating to expenditure charged to the Estimate for House of Commons: Members, as codified and modified pursuant to paragraph (3) of this order.

(6) The committee shall have power to sit notwithstanding any adjournment of the House.

Committee staff

The staff of the Committee are Dorian Gerhold, Rob Cope and Louise Sargent.

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Review of past ACA payments: further supplementary report

1. We published Sir Thomas Legg's report on past ACA payments in February 2010, together with the decisions on appeals considered by Sir Paul Kennedy.¹ In March 2010 we published the decisions on appeals which Members were allowed to make after the main deadline because they had not previously had an opportunity to appeal.² The purpose of this report is to publish Sir Paul Kennedy's decision on one additional late appeal.

2. Ivor Caplin was a Member of this House in 2004–05, the first part of the period covered by Sir Thomas Legg's report. We offered him the opportunity to make a late appeal on the grounds that he had not been able either to respond to Sir Thomas Legg's conclusions (because letters had been sent to an incorrect address) or to make an appeal within time (because the final deadline passed about a day after he made contact with the House authorities). No other former Member was in a similar position.

3. Ivor Caplin responded by submitting an appeal. Sir Paul Kennedy's decision on that appeal is published as an appendix to this report.

4. Ivor Caplin has accepted Sir Paul Kennedy's conclusions and has agreed to make the recommended repayment within 30 days, at which point the matter will be closed.

¹ First Report from the Members Estimate Committee, 2009–10, *Review of past ACA payments*, HC 348.

² Second Report from the Members Estimate Committee, 2009–10, *Review of past ACA payments: supplementary report*, HC 450.

Appendix

Letter from Sir Paul Kennedy to Mr Ivor Caplin, 5 March 2011

You were a Member of Parliament for Hove from 1997 to 2005, and for the period from 1 April 2004 to 30 April 2005 you submitted, as part of your ACA claims, monthly claims for mortgage interest in respect of your second home which in total amounted to £17,865.33, but you failed to submit the documentation normally required to support such claims, namely mortgage interest statements from your mortgage lender. In 2005 the Department of Finance and Administration wrote to you on two occasions, asking you to provide mortgage interest statements, but the necessary statements were not provided.

In late 2009 and early 2010, when Sir Thomas Legg was conducting his review of ACA claims, he wrote to you on four occasions, repeating in effect the requests which had been made to you in 2005. It seems that the addresses to which his letters were sent were no longer your current address, so his letters were not received by you. Having received no reply his report in relation to you reads:

“No reply has been received from Mr Caplin to a number of letters sent to the address held by the House authorities. In default of evidence to support payments for mortgage interest of £17,865.33 for 2004–05 and April 2005, I must regard these payments as having been invalid. Accordingly my recommendation is that Mr Caplin should repay the whole of this sum.”

The recommendation was accepted by the Members Estimate Committee, and you tell me that you first became aware of it when the report of the ACA Review was published. You say that you then wrote to Sir Thomas Legg on 5 February 2010, but received no reply. In due course the Committee gave you leave to appeal to me, out of time, against the recommendation made in the ACA Review.

You have now produced mortgage interest statements from Barclays, your mortgage lender, which show that in the relevant period you paid to Barclays interest totalling £16,686.90, which is £1,178.43 less than you claimed. I accept that evidence, and I also accept that the discrepancy may well have been due, at least in part, to fluctuations in the rate of interest being charged by Barclays which may not have been known to you in detail at the time when you were making your monthly claims.

I would therefore allow your appeal by setting aside the recommendation that you repay £17,865.33, and substituting for it a recommendation that you repay £1,178.43.

This letter constitutes my decision in relation to your appeal. It goes to the Members Estimate Committee and is likely to be published. For obvious reasons I can do nothing about the press coverage which you received in the past.

As to the two issues which you identify in your Grounds of Appeal to me, I am satisfied that, on the information available to him, the conclusion of Sir Thomas Legg cannot be impugned. It is the fresh information now provided by you which has enabled me to allow your appeal. You raise, as a second issue, your right to claim second home allowance in respect of your property in Hove during the relevant period. That was not doubted by the

ACA Review, only the amount of the claim was in issue, and therefore that is all I need to consider.

Formal Minutes

Tuesday 29 March 2011

Members present:

Mr Speaker, in the Chair

Hilary Benn

Sir Paul Beresford

Frank Doran

John Thurso

Sir George Young

Draft Report (Review of past ACA payments: further supplementary report), proposed by the Chairman, brought up and read.

Ordered, That the draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 3 read and agreed to.

Paragraph 4 read, amended and agreed to.

A paper was appended to the Report.

Resolved, That the Report be the First Report of the Committee to the House.

[Adjourned till Monday 16 May at 4.30 pm]